## How much does an avatar cost?

Self-Representation Through Avatars in Online Gaming

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### Economics

#### **Key Concepts**

Consumption of virtual goods: The user buys in-game items for the sole purpose of using them in-game. Unlike buying music online as that can be used in the real world.

Perceived value of products: The purchasing of the goods with real world money will benefit their experience.

Does a real world market value exist?

Does enjoyment of a game come with a price?

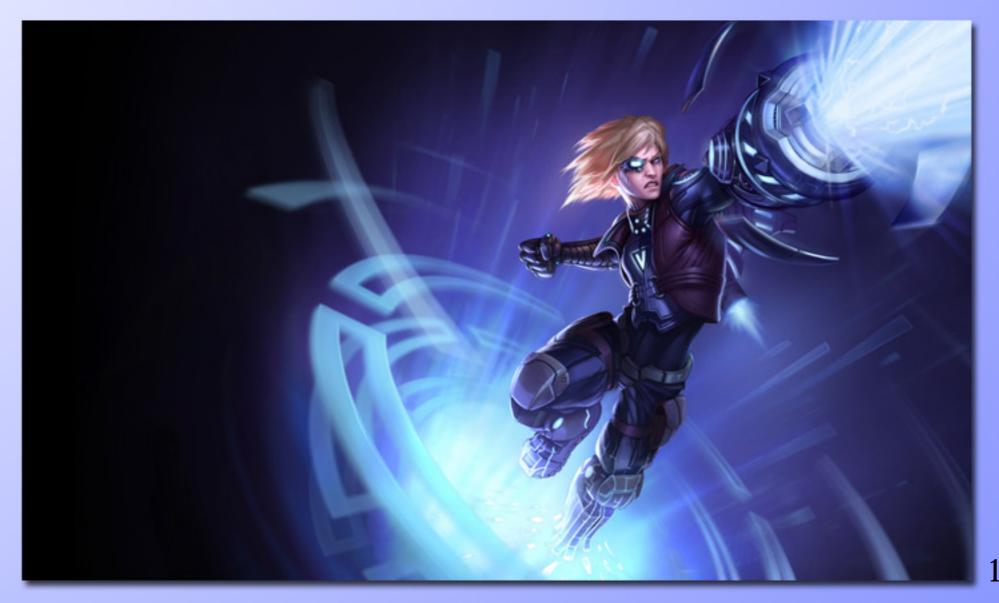
If a player buys an aesthetic item in game, or purchases in-game credit with real world money, they are making a conscious and economic effort to improve their gaming experience.

A strong business model exploits the player subtley enough for them to justify spending additional money on purely virtual goods.

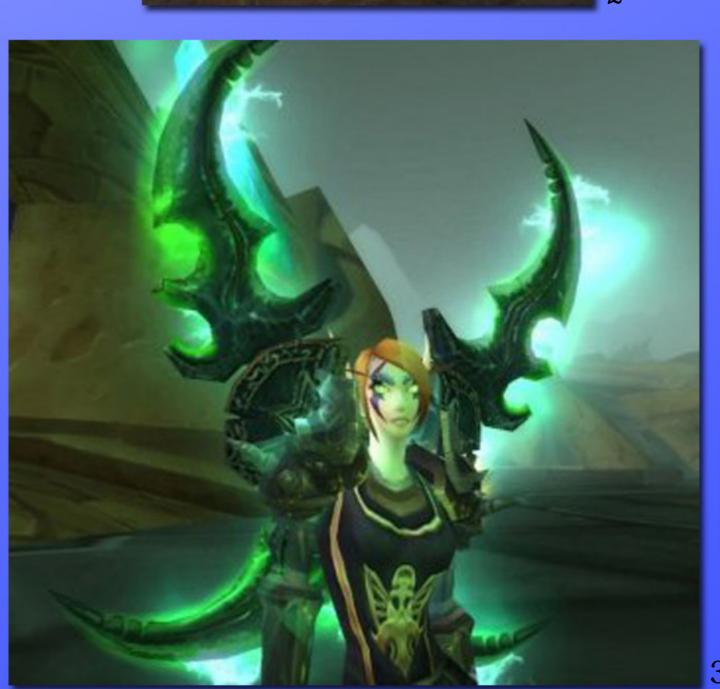


For a game to offer purely aesthetic items at the cost of real world money, the company must understand the intrinsic economic value.

People buy clothes to change the way they look on the outside in order to feel better on the inside. This model has been applied to gaming with tremendous success.







# Psychology

#### **Key Concepts**

Self-representation:

The ability for a player to project their own psyche to their online avatar.

Self-discrepancy:

The understanding of the player's physical and social differences compared with social norms.

Social disinhibition:

the distancing of the player to the actions of the avatar, allowing for the deconstruction of social norms.

The player bonds with the avatar, living vicariously through it. They have the ability to tear down social norms, live another life, have superpowers or break the law without any repercussions.

Is this true freedom?



Low self-esteem and emotional investment into an avatar are directly linked. Players with low self-esteem invest more emotions into their avatar, thus if their avatar performs or looks better then the player subsequently feels better.

They develop a split persona: low self-esteem in the real world and high self-esteem in the virtual world.



### The true cost of gaming: financial or social?

If a player can justify spending real world money on a game by perceiving a benefit then, at some level, they are spending the money to vicariously improve their own social standing. Are game companies putting a price on happiness? Or is there a deeper issue of perceived social status that needs to be addressed?